

# LUXURY REAL ESTATE DYNAMICS WITH RAJITHA JAYASURIYA OF CAPITAL HEIGHTS

Capital Heights is a unique and unparalleled real estate venture by Access Engineering PLC – one of Sri Lanka's top end, blue chip companies with portfolios of world class standards and numerous successful real estate and engineering projects. We spoke with Rajitha Jayasuriya, the Director of Sales and Marketing of Capital Heights, to get her insights on the Luxury Real Estate market.



**The COVID-19 virus has been devastating for everyone all over the world. How has it been for Capital Heights?**

Sri Lanka has witnessed a thirty-year civil war and understands the difficulties that arise during a crisis. Our industry endured a sequence of events, ranging from the civil war, the Easter Sunday attacks and the ongoing global pandemic. Fortunately, the sector has been resilient in recent months, and higher yields are expected soon.

The recovery market post-COVID-19 is a hypothetical scenario

since most developers faced tough times. We have achieved all sales targets despite trying circumstances. The construction industry is considered an essential service. As such, Capital Heights continued construction throughout the pandemic and the different waves. This has elevated us and improved our customer confidence to the next level.

**Investing in real estate can be a serious commitment. What factors draw buyers into investing in projects such as Capital Heights? Are there any specific preferences that you have observed?**

Location is the influencing factor in real estate, and we are strategically situated on top of the Buthgamuwa Road, which is highly accessible with three separate access roads. The adage "location, location, location" is still king and continues to be the most important factor for profitability in real estate investing.

Other factors such as financial stability, reasonable construction timelines and past experience/credibility of the developer are additional key contributory factors for the success of Capital Heights.

**The market is constantly evolving with**

**new trends coming into place, especially in the luxury segment. How has Capital Heights stayed competitive throughout all of these advancements?**

Innovation and smart options are most welcome! Developers are facing challenging financial situations. Therefore 'smarter options' can also mean choosing developers known for credibility, durability, quality, reputation and stability. We have stood the test of time!

Our apartments are inclusive of luxury requirements which are a necessity for families. We identify and include luxuries that matter most to customers, keeping in mind affordability. These luxury requirements range from space and security to ensure comfort. Our swimming pool is open to the sun and sky, which are gifts of nature. Other features are a convenience store and a coffee bar to complement one's lifestyle.

**Can you please share some insights on the typical buyer profile for your project and if you think this might change moving forward?**

I am confident that our buyer profile will remain unchanged as we were established to cater to the luxury niche market. 75% of our inquiries are from Sri Lankans living overseas/diaspora, those who wish to retire here, professionals, expatriates, the

Sri Lankan business community, senior citizens, upwardly mobile young adult couples and high-end top 3 professionals of corporate segments.

Overseas inquiries originate from across the world. Approximately 25% of the overseas inquiries came from Western Asia, 20% from Europe and 20% from the USA and Canada.

**As an expert in the field, what have you observed about customer preferences with regards to unit configurations and size?**

Individual preferences and requirements vary. Budgets and affordability govern their final decisions. Our units vary from 1100-1980 sq. ft., including ten penthouses ranging from 2960-3735 sq. ft., often inquired by a cross-community.

Senior citizens often value space and opt for a 2000 sq. ft. apartment with a scenic view. On the other hand, upwardly mobile young couples lead busy lifestyles, thus settling into smaller, 1100 sq. ft. units as their first investment. Middle-income families generally prefer apartments ranging from 1600-1700 sq. ft.

**The Sri Lankan Rupee has depreciated quite considerably over the past few years. How are your units, parking and CAM charges priced at Capital Heights, and how have the**

**currency fluctuations affected you?**

Since inception, we have maintained an LKR pricing strategy due to USD and other currency market fluctuations.

On average, the price per square foot ranges from LKR 27,000 to LKR 35,000. Penthouses, however, are approximately 3000 sq. ft. and above, with prices per sq. ft. going up to LKR 40,000.

Regarding CAM charges, having conducted research on Colombo and suburb-based projects, we concluded that it is the same service provided to customers in every project. Maintenance rates range from LKR 15 to LKR 25 per sq. ft., regardless of being in the heart of Colombo or the suburbs.

**There have been many new projects coming up. Would you say an oversupply exists in the market? If so, would there be a possible price correction?**

Keeping in mind the ongoing developments, I firmly believe there is no oversupply in the residential market. However, mixed developments have different market segments of investors, where buyers would invest in nearly 10-20 apartments as a one-off investment. Therefore, the word 'oversupply' would not be applicable in my belief.

Generally, our reputation and brand equity

does not hold room for price corrections due to our strong policies and credence of consistent pricing. We have stood firmly by our tagline 'Best Investment in Luxury', and this approach has brought about a 10-15% Return on Investment (ROI) for our early bird customers. Our brand confidence is second to none, and we will deliver a product that is above clients expectations.

**Recently, the Government introduced various import restrictions. Have these impacted your overall construction costs? Have there been any positive initiatives in your perspective?**

Thankfully, our Chairman's forward and strategic thinking of concluding our imports within a specific timeframe, complemented construction within the target budget. All necessary items for 242 units were imported before restrictions were imposed. As such, we have been able to honour our investors: i.e. we valued their investment and their time, and we stood the test of time.

We have been receiving adequate support from the state institutions and authorities. For example, a Government-issued gazette stated that construction projects costing over USD 50 million are entitled to tax relief. This policy could be a government incentive to promote the industry in a

post-COVID setting.

**The upcoming Port City has been a hot topic recently. With your expertise, do you think this could affect your sales, with buyers opting to purchase projects closer to it in the future?**

Capital Heights is located away from the hustle and bustle of the city. Our residential apartments are ideal for a home away from the city amidst serene waters and natural mangroves. There is a vast variation in the customer segment interested in our properties due to location and the expected lifestyle.

**Capital Heights is nearing completion. How is this complementing your sales, and what is in store for the future at Capital Heights?**

Having reached the closing cycle in our project, lead generations are continually elevating. Buyers are given a chance to view the show apartment and their units, which are 95% completed. This guarantees lead generation, referral inquiries and higher market confidence.

Capital Heights is the only focus for now, but other projects are being considered. Identifying a suitable location and land would be our first step moving forward.